

MEMO# 2337

November 20, 1990

USE OF LONG TERM PERFORMANCE FIGURES ON SECONDARY TRUSTS

November 20, 1990 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 51-90 RE: USE OF LONG TERM PERFORMANCE FIGURES ON SECONDARY TRUSTS

At the most recent meeting of the Unit Investment Trust Committee, we discussed the feasibility of quoting a long term performance member, such as ELTR, in connection with sales of units in the secondary market. As you know, the SEC staff has required such a member to be used in connection with initial offerings of units since the summer of 1989. The Subcommittee on Yield has concluded that it would be advisable to begin quoting ELTR, along with estimated current return, on all secondary trusts offered by those sponsors by February 1, 1991. Kenny-Standard & Poor's, the evaluator for many UITs, has indicated that it will be able to supply ELTR for all secondary UITs on a daily basis by that date. John Nuveen and Van Kampen Merritt also anticipate that they will be able to supply ELTR on or about that date. Accordingly, all members of the Subcommittee plan to quote ELTR "on screen" for their secondary trusts by February 1, 1991 or shortly thereafter. As soon as practicable thereafter, ELTR will be included on confirmations for all sales of secondary trust units. (It is expected that different sponsors will begin to include ELTR on confirmations at various times, depending on their own capabilities.) Of course, this decision is not binding on any other members of the Committee. However, if you have any questions about the Subcommittee's decision, please feel free to call me at 201/902-6800. Robert E. Holley
Chairman